but rather agreed with and accepted what he had said, the Board should, to be consistent, also conclude that the result of applying the 6% net market or commercial rate to the effective capital value would give a net value. It is illogical to say that the result is a gross value. The application of a net rate to a capital sum cannot give a gross amount. The Board has, therefore, erred by so concluding and has therefore erred in ordering that the expenses of repairs, insurance, maintenance and property tax should not be added at all.

The question as to whether to add 18% or 36% of the annual value for property tax was one of the issues before the Board. The Board, however, did not answer the question because it decided that nothing at all, including property tax, should be added to arrive at the annual value.

This point was raised by the appellant before this court but the respondents have not answered. Before the Board the respondents had claimed that it should be only 18% because that is the rate they had in fact been paying as the property was owner-occupied. The Chief Assessor says, it should be 36%.

After considering the arguments advanced on behalf of the appellant I have come to the view that the proper rate to apply is 36%.

In the result this appeal is allowed with costs.

Appeal allowed.

Solicitors: *Rodyk & Davidson.*

TATLIEN HARDWARE PTE. LTD. v. TAN & LIE & ANOR.

[O.C.J. (Wee Chong Jin C.J.) December 16, 1980]
[Singapore — Originating Summons No. 328 of 1980]

Contract — Sale of land — Requisition answer referring to road widening if lot comes for redevelopment — Whether implied term that contract conditional upon property being capable of redevelopment or if redeveloped, there would be no scheme affecting its redevelopment.

Land Law — Sale of land — Requisition answer — Road widening if lot comes for redevelopment — Whether this amounted to unsatisfactory answer.

The second defendants by an undated option expiring on June 30, 1980 offered to sell Nos. 2/2A and 6/6A Moonstone Lane for $620,000. The plaintiffs exercised the option. Clause 5 of the option provided for the annulment of the sale "in the event of any of the answers to such requisitions being unsatisfactory".

On May 6, 1980, a reply was received from the authorities in answer to a requisition of the land concerned. The answer stated that "the road widening line is inserted by the Roads Branch in accordance with the current standard and will be applicable if and when the lot comes for redevelopment."

The sole question before the court was whether the contents of the said letter amounted to an "unsatisfactory answer" to a requisition within the meaning of clause 5 of the option.

Held, dismissing the plaintiffs' application: (1) there can be no implied term that the contract was conditional upon the property being capable of redevelopment or that, if it could be redeveloped, there would be no scheme affecting its redevelopment;

(2) the fact that if and when the property is subsequently redeveloped some portion of it would be compulsorily acquired for road widening purpose thus diminishing the value of the property is immaterial.

ORIGINATING SUMMONS.

Wee Chow Sing for the plaintiffs.

Sant Singh for the defendants.

Wee Chong Jin C.J: The second defendants, Yew Lee Chiong Metal Containers Pte. Ltd., by an undated option expiring on June 30, 1980 offered to sell Nos. 2/2A and 6/6A Moonstone Lane, Singapore for $620,000. The plaintiffs, Tatlien Hardware Pte. Ltd. exercised the option. Clause 5 of the Option provided as follows: —

"5. The sale will be subject to the Purchaser receiving satisfactory answers to all requisitions (whether on title or to the City Authorities) and in the event of any of the answers to such requisitions being unsatisfactory, the Purchaser may annul the sale in which event the deposit shall be refunded to the Purchaser."

In answer to a requisition the "City Authorities" reply dated May 6, 1980 was as follows: —

"I refer to your letter dated April 18, 1980 on the above and am to inform you of the following:—

(i) According to the Master Plan reading the site is not affected by a road widening line. However, it is affected by a rear service road as the properties abut this rear service road.

(ii) The portion marked green on your Interpretation Plan is the existing back lane which is the Master Plan's intention to convert it into a rear service road.

(iii) Your copy of Interpretation Plan showing the road widening line is inserted by the Roads Branch in accordance with the current standard and will be applicable if and when the lot comes for redevelopment.

(iv) However, under this Plan the site is not affected by the said rear service road."

It was agreed that the sole question before me was whether the contents of that letter amounted to an unsatisfactory answer to a requisition within the meaning of Clause 5 of the Option. I decided it was not, and now give my reasons.

It was submitted on behalf of the plaintiffs that the property in question is affected by a "road widening line" which would be applied if and when the property is subsequently redeveloped and that meant that when the plaintiffs redevelop the property the portion covered by the road widening line would be compulsorily acquired thus diminishing the value of the property. In those circumstances it is submitted that the letter from the "City Authorities" constituted an unsatisfactory answer within the meaning of Clause 5 of the Option. I rejected that submission. This is the case of a contract for the sale of land. The contract contained no express provision or condition that it was being purchased for redevelopment. There can be no inference that the intending purchaser was purchasing the property for redevelopment. There can be no implied term that the contract was conditional upon the property being capable of redevelopment or that, if it could be redeveloped, there would be no scheme affecting its redevelopment. The fact that if and when the property is subsequently redeveloped some portion of it would be compulsorily acquired for road widening purposes thus diminishing the value of the property is immaterial.

For these reasons I found in favour of the second defendants and I dismissed the plaintiffs' application.

Application dismissed.

Solicitors: *Chua, Hay & Wee: Ang, Ng & Lee.*